

ACCOUNTANCY EXAMINING BOARD[193A]

Adopted and Filed

**Rule making related to review of rules, online licensing
and renewals, and accountancy designations**

The Accountancy Examining Board hereby amends Chapter 3, “Certification of CPAs,” Chapter 4, “Licensure of LPAs,” Chapter 5, “Licensure Status and Renewal of Certificates and Licenses,” Chapter 7, “Certified Public Accounting Firms,” Chapter 8, “Licensed Public Accounting Firms,” Chapter 9, “Reciprocity and Substantial Equivalency,” Chapter 10, “Continuing Education,” and Chapter 15, “Disciplinary Investigations,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 542.4.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code chapter 542.

Purpose and Summary

The amendments to Chapters 3, 4, 5, 7, 8, 9, 10 and 15 reflect partial compliance with Iowa Code section 17A.7(2), which states that beginning July 1, 2012, over each five-year period of time, an agency shall conduct an ongoing and comprehensive review of all of the agency’s rules. The goal of the review is to identify and eliminate all rules that are outdated, redundant, or inconsistent or incompatible with statute or the agency’s rules or the rules of other agencies. The amendments also reflect changes in the Professional Licensing and Regulation Bureau’s administrative processes due to the installation of a new online licensing and renewal system. Additionally, the amendment to Chapter 9 provides for recognition of a broader scope of accountancy designations outside of the United States.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on September 12, 2018, as **ARC 3988C**. A public hearing was held on October 3, 2018, at 9 a.m. at the Professional Licensing Bureau offices, 200 East Grand Avenue, Suite 350, Des Moines, Iowa. No one attended the public hearing. Written comments were received. None were in opposition of the amendments. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Board on December 13, 2018.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, a positive impact on jobs is found in the amendment to subrule 9.5(2). By recognizing a broader scope of acceptable accountancy designations outside of the United States, Iowa demonstrates a welcoming perspective to individuals from other countries who seek licensure in Iowa.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 193—Chapter 5.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on February 20, 2019.

The following rule-making actions are adopted:

ITEM 1. Amend subrule 3.14(1) as follows:

3.14(1) A candidate who successfully passes the examination, completes the ethics course and examination and meets all of the requirements outlined in rule 193A—3.1(542) shall make application for the certificate on a form which may be obtained ~~from the board office or on the board's Web site website.~~ An applicant for a certificate may be denied the certificate for reasons outlined in subrule 3.4(3), 3.4(4), or 3.4(5) regardless of when the incident occurred.

ITEM 2. Rescind and reserve rule **193A—4.5(542)**.

ITEM 3. Amend rule 193A—4.15(542) as follows:

193A—4.15(542) Obtaining the license. A candidate who successfully passes the examination and completes the requirements outlined in rules 193A—4.12(542), 193A—4.13(542) and 193A—4.14(542) shall make application for licensure on a form available ~~from the board office~~ through the online application process. An applicant shall list on the application all states in which the applicant has applied for or holds a certificate, license or permit and shall also list any past denial, revocation, suspension, refusal to renew, or voluntary surrender to avoid disciplinary action of a certificate, license or permit. An applicant shall notify the board in writing within 30 days after the occurrence of any issuance, denial, revocation, suspension, refusal to renew, or voluntary surrender to avoid disciplinary action of a certificate, license or permit by another state. An applicant for licensure may be denied the license for reasons outlined in subrule 4.1(2) regardless of when the incident occurred.

ITEM 4. Amend subrule 4.16(3) as follows:

4.16(3) A person desiring a license as a licensed public accountant in this state on the basis of a licensed public accountant license issued by another state must apply ~~upon a form that may be obtained from the board office~~ through the online application process. The burden is on the applicant to obtain information satisfactory to the board that the applicant's license in such other state is in full force and effect and that the requirements for obtaining such license were substantially equivalent to those of this state to obtain a license as a licensed public accountant.

ITEM 5. Amend rule 193A—5.3(542) as follows:

193A—5.3(542) License renewal.

~~**5.3(1)**~~ Licenses issued pursuant to Iowa Code section 542.6 (CPA certificates), 542.8 (LPA licenses), or 542.19 (CPA certificates by substantial equivalency) shall be renewed on an annual basis and shall expire on June 30 of each year. Licenses shall be renewed through ~~electronic on-line~~ the online renewal, ~~except that licensees who are ineligible to renew on-line because they must disclose a criminal conviction~~

or disciplinary order, or for other cause, shall renew upon forms that may be obtained from the board office or on the board's Web site process. An annual renewal fee will be charged.

~~5.3(2)~~ The board plans to develop a renewal process in which a firm permit to practice and the individual licenses associated with the firm may be renewed together. The board shall adopt rules governing the combined renewal process when further details are known and the technological means to implement the process are in place.

ITEM 6. Amend subrule 5.4(1) as follows:

5.4(1) The board typically ~~mails~~ sends, by electronic means, a notice to licensees in the May preceding license expiration, but neither the failure of the board to ~~mail~~ send nor a licensee's failure to receive a renewal notice shall excuse the requirement to timely renew a license.

ITEM 7. Amend subrule 5.5(1) as follows:

5.5(1) A licensee shall submit an electronic ~~on-line~~ online renewal ~~or file a timely and sufficient renewal application with the board by the June 30 deadline in the renewal year. An application shall be deemed filed on the date of electronic renewal or when received by the board or, if mailed, on the date postmarked, but not the date metered.~~

ITEM 8. Amend subrule 5.5(4) as follows:

5.5(4) Within the meaning of Iowa Code section 17A.18(2), a timely and sufficient renewal application shall be:

- a. Received by the board in ~~person or~~ electronic form ~~or postmarked with a nonmetered United States Postal Service postmark on or before the date the license is set to expire or lapse;~~
- b. ~~Signed by the licensee if submitted in person or mailed, or certified~~ Certified as accurate if ~~submitted electronically through the online renewal process;~~
- c. Fully completed, including continuing education, if applicable; and
- d. Accompanied with the proper fee. The fee shall be deemed improper if, for instance, the amount is incorrect, the fee was not included with the application, the credit card number provided by the applicant is incorrect, the date of expiration of a credit card is omitted or incorrect, the attempted credit card transaction is rejected, or the applicant's check is returned for insufficient funds or a closed account.

ITEM 9. Amend subrule 5.9(2), introductory paragraph, as follows:

5.9(2) Eligibility. A person holding a lapsed or active certificate or license which has not been revoked or suspended may apply ~~on forms provided by the board to renew in inactive status through the online application process~~ if the person is not engaged in the state of Iowa or for clients with a home office in Iowa in any practice for which an active certificate or license is required, including:

ITEM 10. Amend subrule 7.2(1) as follows:

7.2(1) ~~Application forms may be obtained from the board office or on the board's Web site~~ All applications shall be submitted through the board's online application process. The board shall ~~only~~ process fully completed applications accompanied by the proper fee. A nonrefundable application fee shall be charged.

ITEM 11. Amend rule 193A—7.4(542) as follows:

193A—7.4(542) Annual renewal of permit. Permits to practice must be renewed annually and shall expire on June 30 of each year. Applications to renew a permit to practice may be obtained ~~from the board office or on the board's Web site or~~ through electronic ~~on-line~~ online renewal. While the board generally ~~mails~~ sends, by electronic means, a renewal notice in the May preceding permit expiration, neither the board's failure to ~~mail~~ send a notice nor a permit holder's failure to receive a notice shall excuse the requirement to timely renew and pay the renewal fee.

ITEM 12. Amend subrule 7.5(1) as follows:

7.5(1) The permit holder shall submit an electronic ~~on-line~~ online renewal ~~or file a timely and sufficient renewal application with the board~~ by the June 30 deadline each year. Applications shall be

deemed filed on the date of electronic renewal ~~or when received by the board or, if mailed, on the date postmarked, but not the date metered.~~

ITEM 13. Amend subrule 7.5(3) as follows:

7.5(3) Within the meaning of Iowa Code chapters 17A, 272C and 542, a timely and sufficient renewal application shall be:

- a. Received by the board in ~~person or~~ electronic form ~~or postmarked with a nonmetered United States Postal Service postmark~~ on or before the date the permit is set to expire or lapse;
- b. ~~Signed by the licensee in charge of the firm's practice if submitted in person or mailed, or certified~~ Certified as accurate if submitted electronically through the online renewal process;
- c. Fully completed and accompanied with the proper fee. The fee shall be deemed improper if, for instance, the amount is incorrect, the fee was not included with the application, the credit card number provided by the applicant is incorrect, the date of expiration of a credit card is omitted or incorrect, the attempted credit card transaction is rejected, or the applicant's check is returned for insufficient funds or a closed account.

ITEM 14. Amend subrule 8.1(2) as follows:

8.1(2) The application ~~may be obtained from the board office or on the board's Web site~~ shall be completed and submitted through the online application process and shall provide sufficient information from which the board can determine that a simple majority of owners hold licenses issued under Iowa Code section 542.8 or certificates issued under Iowa Code section 542.6 or 542.19, are eligible to practice under practice privilege pursuant to Iowa Code section 542.20, or otherwise hold a license or certificate to practice public accounting in another state. At least one owner must be licensed under Iowa Code section 542.8.

ITEM 15. Amend rule 193A—8.2(542) as follows:

193A—8.2(542) Annual renewal of permit. A permit issued under the provisions of Iowa Code section 542.8 shall be renewed annually by June 30 ~~upon forms provided by the board.~~ Applications to renew a permit to practice ~~may be obtained from the board office or on the board's Web site or shall be completed and submitted through electronic on-line~~ the online renewal process. While the board generally ~~m~~ails sends, by electronic means, a renewal notice in the May preceding permit expiration, neither the board's failure to ~~mail~~ send a notice nor a permit holder's failure to receive a notice shall excuse the requirement to timely renew and pay the renewal fee.

ITEM 16. Amend subrule 8.3(1) as follows:

8.3(1) The permit holder shall submit an ~~electronic on-line~~ online renewal ~~or file a timely and sufficient renewal application~~ with the board by the June 30 deadline each year. Applications shall be deemed filed on the date of electronic renewal ~~or when received by the board or, if mailed, the date postmarked, but not the date metered.~~

ITEM 17. Amend subrule 8.3(3) as follows:

8.3(3) Within the meaning of Iowa Code chapters 17A, 272C, and 542, a timely and sufficient renewal application shall be:

- a. Received by the board in ~~person or~~ electronic form, ~~or postmarked with a nonmetered United States Postal Service postmark~~ on or before the date the permit is set to expire or lapse;
- b. ~~Signed by the licensee in charge of the firm's practice if submitted in person or mailed, or certified~~ Certified as accurate if submitted electronically through the online renewal process;
- c. Fully completed and accompanied with the proper fee. The fee shall be deemed improper if, for instance, the amount is incorrect, the fee was not included with the application, the credit card number provided by the applicant is incorrect, the date of expiration of a credit card is omitted or incorrect, the attempted credit card transaction is rejected, or the applicant's check is returned for insufficient funds or a closed account.

ITEM 18. Amend rule 193A—9.2(542) as follows:

193A—9.2(542) Application forms. Application forms ~~may be obtained from the board office or on the board Web site~~ shall be completed and submitted through the online application process. An applicant shall attest that all information provided on the form is true and accurate. An application may be denied based on a false statement of material fact. A nonrefundable fee shall be charged each applicant as provided in 193A—Chapter 12.

ITEM 19. Amend subrule 9.5(2) as follows:

9.5(2) A person who holds in good standing a certificate, license or designation from a foreign authority that is substantially equivalent to an Iowa CPA certificate shall be deemed qualified for an Iowa CPA certificate if the person satisfies all of the provisions of Iowa Code section 542.19(3). The burden is on the applicant to demonstrate that such certificate, license or foreign designation is in full force and effect and that the requirements for that certificate, license or foreign designation are comparable or superior to those required for a CPA certificate in this state. Original verification from the foreign authority which issued the certificate, license or designation shall be required to demonstrate that such certificate, license or designation is valid and in good standing. If the applicant cannot establish comparable or superior qualifications, the board shall require that the applicant pass the uniform certified public accountant examination designed to test the applicant's knowledge of practice in this state and country. If the applicant is a Canadian Chartered Accountant, Australian Chartered Accountant, Hong Kong CPA, Ireland Chartered Accountant, Mexico Contador Público Certificado (CPC), ~~or~~ New Zealand Chartered Accountant, or Scottish Chartered Accountant, the applicant may be required to take the International Uniform CPA Qualification Examination (IQEX) in lieu of the uniform certified public accountant examination.

ITEM 20. Amend paragraph **10.5(1)“a”** as follows:

a. On each ~~online or paper~~ renewal, a CPA or LPA shall self-select December 31 or June 30 as the date by which continuing education requirements must be satisfied in order to be eligible to renew the certificate or license.

ITEM 21. Amend subrule 10.9(1), introductory paragraph, as follows:

10.9(1) An applicant for renewal may be requested to provide, in such manner, including but not limited to the online renewal process, and at such time as prescribed by the board, ~~a signed statement, under penalty of perjury, on forms provided by the board,~~ verification and documentation setting forth the continuing professional education in which the licensee has participated. The board, ~~in certain instances,~~ may allow for attestation that the licensee has met the requirements in lieu of providing a listing. If the applicant for renewal is requested to provide a listing of the continuing professional education completed, the documentation shall include:

ITEM 22. Amend subrule 10.11(2) as follows:

10.11(2) Alternative cycle. ~~Starting with the 2013 renewal cycle, a~~ A CPA or LPA may self-select December 31 or June 30 as the date by which continuing education requirements must be satisfied in order to be eligible to renew the license or certificate. Online ~~and paper~~ renewal forms will require the renewal applicant to declare whether the continuing education was satisfied within the three-year period preceding December 31 or the three-year period preceding June 30. When declaring a June 30 date, licensees must be cautious to ensure the continuing education is fully completed on or prior to the date the renewal application is submitted. Licensees who renew with penalty during the 30-day grace period following June 30 must declare either December 31 or June 30 and may not extend the deadline beyond June 30.

ITEM 23. Amend subrule 15.5(1), introductory paragraph, as follows:

15.5(1) Contents of a written complaint. Written complaints may be submitted ~~on forms provided by the board which are available from the board office and on the board's Web site~~ through the online

complaint process. Written complaints, whether submitted on a board complaint form or in other written medium, shall contain the following information:

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 1/16/19.